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USDOC FOR 532/OEA/M. NICKSON-D/KGAINES/JAY HATFIELD  
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL  
USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: ETTC ETRD BEXP IN

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: ELECTRONICS  
CORPORATION OF INDIA LTD., HYDERABAD, LICENSE D365179

REF: USDOC 03207

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Paul Cushman and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Electronics Corporation of India Ltd. (ECIL), Hyderabad, on May 24, 2007.

¶3. BIS requested a PSV at ECIL, a GOI public sector undertaking (PSU), located at: ECIL P.O., Hyderabad 500062, Tel: 91-40-2712-0131, Fax: 91-40-2712-1611, Email:dgmsec@ecil.in, Website: www.ecil.co.in. ECIL was listed as the Ultimate Consignee for two Vaportracer explosive detection systems controlled under ECCN 2A983. The license applicant was GE Homeland Protection, Inc., Newark, CA.

¶4. BIS Team met with G. Sai Reddy (Reddy), Head, Instruments & Systems Division (ISD) and A. Ashok Kumar (Kumar), Senior Deputy General Manager-Security Systems, ECIL. Prashant Agrawal (Agrawal), Under Secretary (AMS), Ministry of External Affairs (MEA), facilitated the meeting. Agrawal was also present at the meeting.

¶5. ECIL officials were not aware of the BIS regulations. This was the first USG or BIS official visit to ECIL. Kumar did not recall receiving BIS export license conditions from GE. ECIL officials were cooperative and forthcoming and provided a copy of GE Proforma Invoice, GE Commercial Invoice, ECIL Purchase Order, ECIL End-Use Statement, Bill of Entry of Home Consumption, a receipt for customs duties paid at the Indian port and GE Delivery Confirmation.

¶6. Kumar confirmed the stated end-use. He stated that besides manufacturing and marketing electronic products, ECIL also acts as systems integrator for security and surveillance systems in India. Advanced Systems Laboratory, Hyderabad, a Defence Research Development Organization (DRDO) Laboratory, GOI Ministry of Defence (MOD), awarded a contract to ECIL to supply and install a security system at ASL. Kumar stated that under the contract, ECIL supplied a security and surveillance system to ASL which consists of CCTV system, access control system, boom barriers, under-vehicle surveillance system, UPS, network systems and hand-held explosive detectors. In addition to supplying and installing the security systems, ECIL will also be responsible for its maintenance through ¶2011.

¶7. Kumar stated that vaportracers are hand-held portable devices used for detecting explosives and narcotics. As part of the agreement, ECIL personnel are using the vaportracers at ASL to screen visitors and packages. He stated that the units are always in ECIL custody and are operated by their personnel. ECO and

Narayan were taken to a storage area where both vaportracers were kept in a lockable room. Kumar stated that they maintain a log whenever vaportracers are removed from the ECIL premises to use at ASL. ECO noted the serial numbers of the vaportracers as 120869 and 1120874.

¶8. Established in 1967, ECIL is a GOI-owned Public Sector Undertaking (PSU), engaged in the manufacture of security systems including x-ray baggage/cargo inspection systems, computers, communication equipment, control systems, electronic components, and defense production. ECIL is organized into 13 divisions serving various industry sectors. The divisions are: Control & Automation Division, Instruments & Systems Division, Components Division, Communication Division, Antenna Products Division, Servo Systems Division, Strategic Electronics Division, Special Products Division, Supervisory Control & Data Acquisition Division, Business Systems Division, Telecom Division, Customer Support Division and Computer Education Division. ECIL employs approximately 5,100 personnel. ECIL's sales for FY-06 were approximately \$180 million.

¶9. Recommendation: Post recommends Electronics Corporation of India Ltd. as a reliable recipient of the controlled U.S. origin commodities. All indications are that the listed commodities are used in accordance with U.S. export control regulations.  
(PSCUSHMAN/PNARAYAN) Mulford